

ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

► **Making sense of  
thought leadership**

by Mignon van Halderen and Kym Kettler-Paddock

► **Soft information matters  
in SME lending**

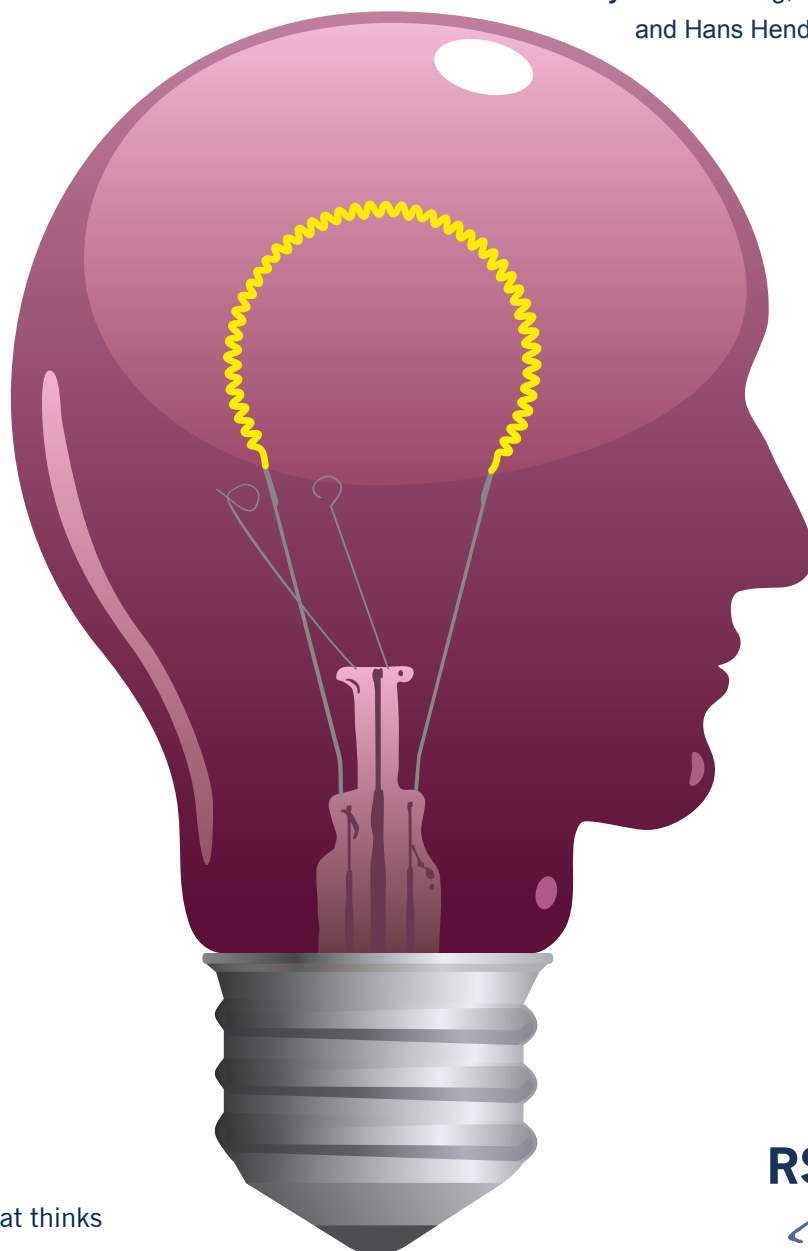
by Jens Grunert and Lars Norden

► **Identity management key  
to successful mergers**

by Steffen Giessner

► **Chinese insolvency  
law lacks teeth**

by Barbara Krug, Nathan Betancourt  
and Hans Hendrichske



The business school that thinks  
and lives in the future

# Making sense of thought leadership

by Mignon van Halderen and Kym Kettler-Paddock

**Many corporations feel that they should be developing a thought leadership strategy. However, when asked what thought leadership actually means or entails, most managers immediately falter in providing an explanation. So, what is thought leadership, why is it important, and how can companies pursue it?**

To understand the origins and relevance of thought leadership, it is first essential to recognise that tremendous changes have affected business and society in recent years. Whilst globalisation spurs business, it has at the same time made it increasingly competitive. Through the ubiquity of technology, and other factors, business is also much more knowledge driven. One consequence is that stakeholders desire to know

more about the companies with which they interact. Across society there have been significant shifts in priorities. Many of the major issues affecting society today – climate change, water management, renewable energy, aging, health and well-being, for example – have gained great ground in their importance. Now, rather than merely acknowledging that these concerns exist

in general terms, society places greater emphasis on determining the ways in which they can be tackled.

This presents companies with the opportunity to proactively step in to the discussions about these issues and position themselves as organisations that not only care, but as ones that may have innovative perspectives and ideas that can contribute or help push forward the debate.

It is by tapping into societal trends – and being perceived as having taken up the gauntlet to address society's concerns – that thought leaders can emerge. By developing novel points of view (NPOVs) that catch not only the attention of society, but which break with or challenge conventional thinking, companies are able to create a platform from which they can differentiate themselves from competitors and be seen by stakeholders as intellectual leaders in the fight against society's worries.

It is from this perspective that we propose a definition of thought leadership as: *the action of introducing*

*and promoting convention-breaking ideas that cause people to change how they think about marketplace or societal issues.*

Companies as diverse as Philips, Apple, IBM and General Electric all pursue thought leadership strategies. Unilever's personal care brand Dove is frequently cited as having implemented a successful thought leadership strategy.

In 2003, Unilever's Global Brand Team for Dove was charged with reinvigorating the fifty-year old brand. They commissioned research on the perception of beauty in ten countries and received some startling results indicating that low self-esteem was rife among women. Only 2 per cent of women described themselves as beautiful and only 12 per cent were satisfied with their physical attractiveness. Women also indicated that they felt pressured by the beauty industry to do something about their appearance.

The Dove Brand Team used this research to create a NPOV for the convention-breaking 'Real Beauty Campaign', which included the use of average-looking women instead of professional models to promote their products. Unilever used their NPOV of the definition of beauty to give them social relevance. Dove became an authority – a thought leader – on



---

the social issue of beauty and our preconceptions of it.

In positioning themselves as thought leaders within their sector, Dove moved beyond standard marketing and branding techniques. They developed platforms that their target audience could get involved with – Mother and Daughter days, for example, and the Dove Self-Esteem Fund, the purpose of which, according to their website, is “to help free the next generation from self-limiting beauty stereotypes.”

Philips also serves as a good example of a company with a thought leadership vision based on the breaking down of conventional societal thinking. It wants, by 2015, to become global leader and trusted voice around the issues of aging and city living. To do so, Philips seeks to challenge the accepted notion of aging as a sedate process concerned with infirmity, and by changing society’s conception of cities as being largely unsafe and unhealthy.

Here it is worth pointing out that one can only be a leader of anything if people are prepared to be followers. This is also true of thought leadership and companies need to encourage thought followers among stakeholders. Thought followership can be defined as: *those members of a thought leading corporation’s targeted stakeholders*

*who have changed, to a greater or lesser degree, the way they think about a market or societal issue as a result of the convention-breaking idea to which they have been exposed.*

## Creating thought leadership

Thought leadership is comprised of two pillars. The first is novelty (the NPOV), and the second is trust. Without trust stakeholders will not endorse the NPOV. Nor will they perceive the organisation as being the preferred partner to work or associate with.

Tied in to the two pillars is a four-step process. The first step is to articulate a novel point of view. This doesn’t have to be an amazingly earth-shattering one. Sometimes it is enough to be the first to bring an idea or perspective to the attention of stakeholders and to propel societal discussion about it. The important factor here is that the NPOV needs to be something that changes the way we think or perceive the subject matter.

Thought leadership is not necessarily articulated explicitly. Apple, for example, is seen as a thought leader, yet they do not express their ideas vocally. Apple’s iTunes stands as a very good example of this. How we use and think about buying and playing music is completely different today when compared to a decade ago.

A critical question often asked is whether thought leadership is nothing more than radical innovation dressed up. There is, however, a huge difference. Innovation is the process by which an idea or invention is translated into a product or service that the markets will pay for. Thought leadership, on the other hand, is about a company leveraging a specific vision, connecting it to societal issues, and becoming the trusted voice in the market and the owner of a NPOV.

The second step is made through sharing the expertise and information the company has accumulated around the NPOV. As noted earlier, it is important for thought leaders to build trust-based relationships with stakeholders. One way for companies to do so is by openly sharing information about their novel point of view. The open sharing of information can show that the organisation has the best interests and welfare of its stakeholders at heart, and this perception can create or enhance trust.

Creating strong interactive networks with stakeholders is the third step. Thought leaders not only share information with their stakeholders, they also seek to create a dense community or network with them. The deeper organisations can become embedded in these social networks, the more central they are to those with

# Making sense of thought leadership (continued)

by Mignon van Halderen and Kym Kettler-Paddock

influence in the sphere of their NPOV.

Additionally, thought leaders continually need information from the market in order to maintain their position as the trusted advisor. As well as offering a means to be aligned with stakeholders who share the company's vision, the reciprocal sharing of information is an excellent way to develop trust and enhance reputation.

The fourth step requires the company to act in line with the desired positioning. In some respects, this is the most obvious as well as the most important step. Organisations cannot create a thought leadership position based on hollow principles, ideas or visions. A strong sense of strategic alignment is essential so that all elements of the organisation are committed to and entirely supportive of the NPOV.

demonstrate to stakeholders that it is truly acting in line with its NPOV, the greater the likelihood that they will trust the thought leader.

Before looking to develop a thought leadership position, companies need to assess whether there is potential within it to do so. In making this assessment there are three questions, which we identify as decision drivers, that managers must address.

1. To what extent does the company see dynamic forces within society that have the potential to reshape or change the lives of its stakeholders?
2. Does the company have a unique vision relative to societal concerns or the dynamic market forces that affect it?
3. To what extent does the organisation have the ability to demonstrate its intellectual capacity?

companies to commit to a long-term strategy. A company cannot become a thought leader in just a year or two. Rather, it requires a leap of faith and a deep commitment over a period of many years.

When looking to develop a thought leadership position, companies must fully comprehend that as a commitment it is akin to picking up and bearing a flaming torch. As such it needs to be held aloft at all times so that its carrier clearly illuminates the way for the benefit of all. ■

**Mignon van Halderen** is Assistant Professor of Corporate Communication, Department of Business Society Management, Rotterdam School of Management, Erasmus University.  
Email: mhalderen@rsm.nl

**Kym Kettler-Paddock** is a graduate of RSM's International Executive Master of Science in Corporate Communication and in 2010 wrote her thesis on thought leadership. She works with Mignon van Halderen in further developing the concept of thought leadership and advising corporate communication managers in pursuing it.  
Email: Kym.Kettler@tiscali.nl

*“A company cannot become a thought leader in just a year or two.”*

Indeed, companies should actively elucidate around the NPOV upon which they wish to be seen as thought leader. Such efforts encourage stakeholders and others to perceive the organisation as having achieved the position it seeks to attain. Our findings indicate that the more the thought leader can

Thought leadership is not appropriate for every company as not every company has the type of product, service or operation that will allow it to connect to a societal issue from which a novel or thought leadership position can be developed. A determining factor is that thought leadership requires

